

Montgomery County Budget Script:

1. Thank you for your time this afternoon.
2. My name is Reardon Sullivan. You may recognize me as “the other candidate” for County Executive in the last election. I appreciate this opportunity to address this Council.
3. As a business owner here in the County, I find this budget to be a jumbled mess. It’s difficult to track the credits and corresponding debits, many of the NDA descriptions are missing, and there are math errors galore.
4. I believe the County must carefully review each dollar in the budget to make sure we are maximizing the return on our investment. This will provide more funding for many of the critical issues that we have heard about today including basic education and support of the arts and special needs citizens before raising taxes in the \$6.8B operating budget and/or the \$17B capital budget.
5. When reviewing the proposed budget, I noted a few things that I want to bring to the Council’s attention.
 - a. The narrative that the property tax increase is just for the schools is patently **FALSE**.
 - b. The budget includes an increase of roughly 7% for many functions of the County government, with many getting double digit increases **that exceed MCPS**.
 - c. The real increase in the property tax is indicated as 15% in the published budget
<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Schedule.aspx?ID=SCHC&SchedID=C3>
 - i. **Contrast with a rent cap of 3%**

- d. Debt service is the second highest service category in the budget <https://spending.data.montgomerycountymd.gov/#!/year/2023/>
- i. Not saying to not pay our bills, just don't rack up more debt at the rate we have been incurring it. Refer to Cap Ex budget.
- e. The fourth highest expense category is not defined. <https://spending.data.montgomerycountymd.gov/#!/year/2023/>
If someone brought me a budget where the fourth highest expense was not defined, I would toss them out of my office.
- f. The budget reduces the police force by another 8 FTEs when crime is going up.
This continues to support the narrative of the County to NOT support our police.
- g. The budget has over \$20M in "future grants." *This appears to be "parked money" or a "slush fund" for the County Executive. Who gets this money? Should this money be used to support our real needs, some of which have been discussed earlier today?*
<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=99D&PROGID=P99P33>
- h. When reviewing the MoCo checkbook, I found over 25,000 checks written to unnamed vendors totaling over \$155 million.
- i. I don't have enough time to discuss the issues with the capital improvement budget but, for example, the CIP has \$80M in bike lane related projects which are not widely accepted throughout the County. *That is \$70 for every M/W/C in the County, however most of these projects are down county.*
<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P501532&CID=3&SCID=8>
<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P502004&CID=3&SCID=8>
<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P502003&CID=3&SCID=8>
<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P502002&CID=3&SCID=8>
<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Project.aspx?ID=P507596&CID=3&SCID=8>
6. Regarding the tax revenue, it seems we get taxed at every turn.
- a. When we use our phones we get taxed.
- b. When we use electricity we get hit with the "**Temporary**" energy tax now entering its third decade.
- c. If you can afford to go shopping, there's a bag tax.
- d. If a person buys a home they get additional recordation taxes.
- e. If you just OWN a home we are being asked to endure another double-digit property tax increase.
- f. Finally, if all that taxing makes you want to drink, there is a tax there too.

7. I offer that the citizens of Montgomery County are fed up. For the first time, the population of the County is going down. The people with means are moving to less taxing areas resulting in a net decrease in the average income in the County, decreasing our tax base.
8. I ask you, on behalf of the citizens of the County, please hold the line on the budget, be reasonable, be prudent, and let's stop the moving vans going from Rockville to Frederick and Fairfax to escape the tax burden of Montgomery County.
9. I'm happy to follow up with you or staff on these issues.

Thank you for your time.

Reardon "Sully" Sullivan

Appendix

Revenue Schedule "C" -

<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Schedule.aspx?ID=SCHC&SchedID=C3>

County Tax Revenue

	ACTUAL FY22	BUDGET FY23	EST FY23	REC FY24	% CHG BUD/REC
TAX SUPPORTED					
MONTGOMERY COUNTY GOVERNMENT					
COUNTY GENERAL FUND					
TAXES					
Admissions Tax	\$2,875,167	\$2,677,768	\$3,791,198	\$3,904,620	45.8%
County Income Tax	\$1,895,810,690	\$1,870,513,719	\$2,044,356,944	\$1,925,076,241	2.9%
E-Cigarette Tax	\$1,115,107	\$1,147,657	\$986,928	\$1,048,651	-8.6%
Energy Tax	\$184,651,863	\$186,479,565	\$189,541,336	\$193,151,409	3.6%
Hotel/Motel Tax	\$14,405,669	\$21,725,087	\$18,617,272	\$22,067,616	1.6%
Property Tax	\$1,330,659,682	\$1,326,425,725	\$1,313,495,988	\$1,537,012,586	15.9%
Real Property Transfer Tax	\$180,217,441	\$154,749,748	\$118,432,408	\$118,050,247	-23.7%
Recordation Tax	\$85,819,161	\$74,157,991	\$56,684,146	\$56,501,236	-23.8%
Telephone Tax	\$55,449,830	\$54,591,229	\$55,627,575	\$55,641,296	1.9%
TOTAL TAXES	\$3,751,004,610	\$3,692,468,489	\$3,801,533,795	\$3,912,453,902	6.0%

Bag tax Rev with no expense?

WATER QUALITY PROTECTION					
TAXES					
Bag Tax	\$2,993,028	\$2,500,000	\$2,500,000	\$2,500,000	0.0%
Water Quality Protection Charge	\$42,454,564	\$43,414,720	\$43,414,720	\$45,307,330	4.4%
TOTAL TAXES	\$45,447,592	\$45,914,720	\$45,914,720	\$47,807,330	4.1%

The budget expects to get \$14M in Parking fees and \$3M for fines from Bethesda. *Yes, the math is wrong again.*

BETHESDA PARKING					
TAXES					
Property Tax	(\$456)	\$0	\$0	\$0	0.0%
CHARGES FOR SERVICES					
Parking Fees	\$10,750,639	\$16,699,827	\$11,469,351	\$14,406,851	-13.7%
FINES & FORFEITURES					
Parking Fines	\$3,266,128	\$3,087,500	\$3,689,732	\$3,314,500	7.4%

\$25M in Building permits/ decrease of 10% *How do you have a decrease in permits if the county is booming as they say?*

PERMITTING SERVICES					
LICENSES & PERMITS					
Building Permits	\$29,976,294	\$28,742,198	\$26,394,711	\$25,865,408	-10.0%

Who gets this money? <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=99D&PROGID=P99P14>

PROGRAM DESCRIPTION

Housing Opportunities Commission

The Housing Opportunities Commission of Montgomery County (HOC) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, commonly known as the Housing Authorities Law. The Commission acts as a builder, developer, financier, owner, and manager of housing for people of low- and moderate- (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

Explore

VISUALIZE NON-DEPARTMENTAL ACCOUNTS

Program Contacts

Contact Eva Acevedo of the Office of Management and Budget at 240.777.2763 for more information regarding the operating budget for the Non-Departmental Accounts.

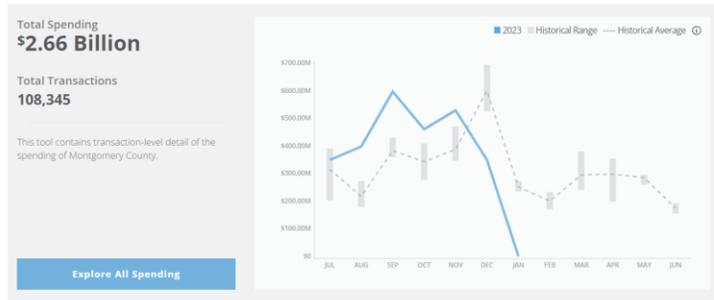
PROGRAM BUDGET CHANGES

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	\$7,633,168	0
Increase Cost: Incremental FY24 Compensation	\$282,566	0
Increase Cost: FY24 Rental License Fee Increase (\$5 per unit) plus additional 112 Units at Battery Lane	\$56,767	0
FY24 Recommended	\$7,972,501	0

Expenses / Spending

<https://spending.data.montgomerycountymd.gov/#!/year/2023/>

Spending Summary 2023



Top Service
\$1.48 Billion

General Government

Top 5

- General Government
- Debt Service
- Health and Human Services
- Transportation
- Housing and Community Development

Show Chart

Top Vendor
\$959.65 Million

MONTGOMERY COUNTY PUBLIC SCHOOLS

Top 5

- MONTGOMERY COUNTY PUBLIC SCHOOLS
- THE DEPOSITORY TRUST & CLEARING CORPORATION
- US BANK
- MONTGOMERY COLLEGE
- GROUP HOSPITALIZATION AND MEDICAL SERVICES INC.

Show Chart

Top Expense Category
\$944.18 Million

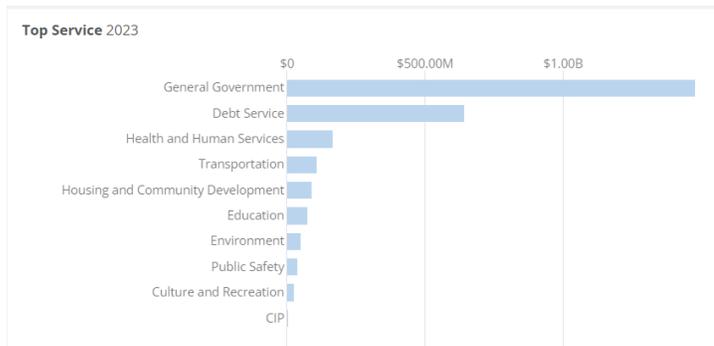
Transfer to MCPS

Top 5

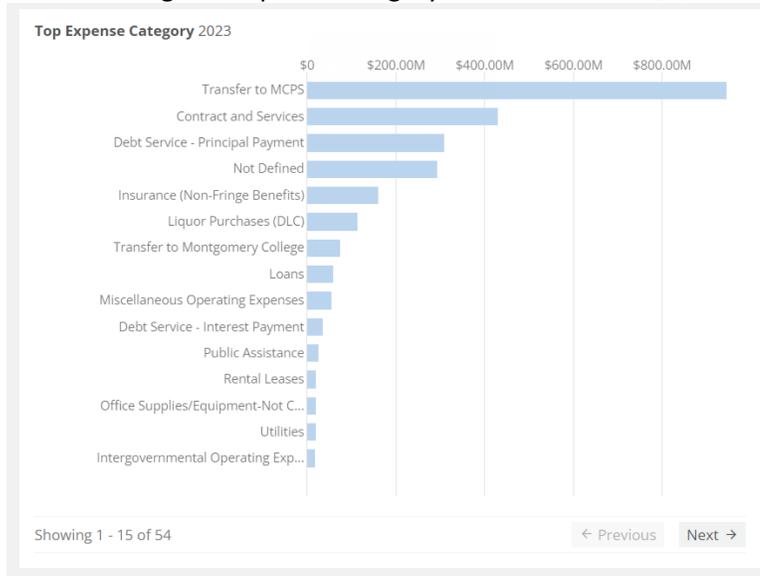
- Transfer to MCPS
- Contract and Services
- Debt Service - Principal Payment
- Not Defined
- Insurance (Non-Fringe Benefits)

Show Chart

Dept Servicing \$344M if you include Principal (\$308M) and interest (\$36M)



The fourth highest expense category is “Not Defined” @ \$300 Million!!!



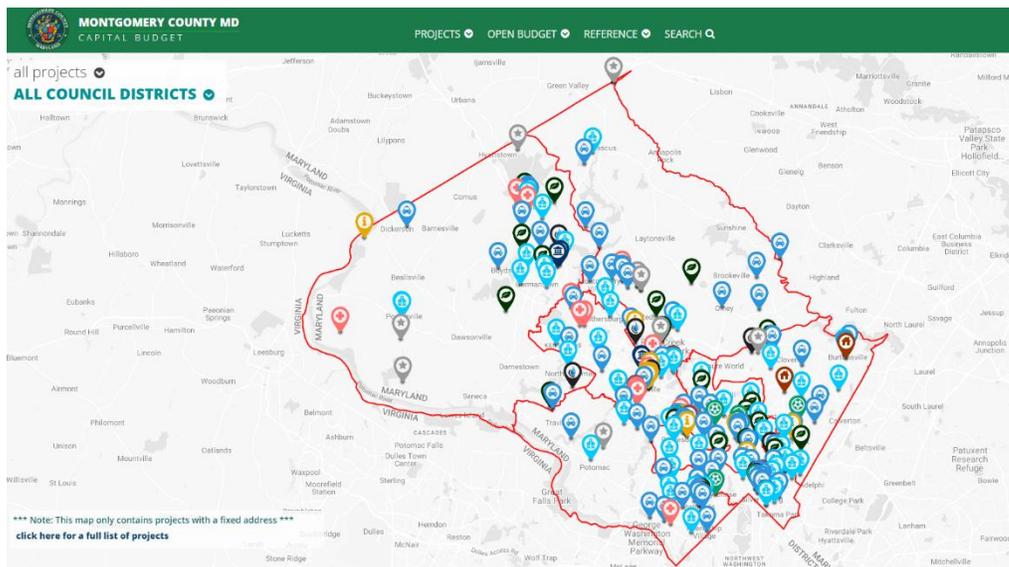
General Services – Energy and Sustainability. Not sure about this with all the Pepco rebates etc. What are we getting?

<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=36D&PROGID=P36P05>

The covid response appears empty or not included.

<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=99V58&PROGID=P99P58>

The location of the capital improvement budget project is located down county where the voters are.



Referenced Articles:

<https://montgomeryperspective.com/2023/03/16/the-central-fiction-of-elrichs-budget/>

<https://montgomeryperspective.com/2023/03/21/moco-property-taxes-in-context/>